

Leslie Bryan Hart, Esq. (SBN 4932)
John D. Tennert, Esq. (SBN 11728)
300 S. Second St., Suite 1510
FENNEMORE CRAIG, P.C.
Reno, Nevada 89501
Tel: (775) 788-2228 Fax: (775) 788-2229
lhart@fclaw.com,
jtennert@fclaw.com
Attorneys for Federal Housing Finance Agency

Amy Sorenson, Esq. (SBN 12495)
Robin E. Perkins, Esq. (SBN 9891)
Kelly H. Dove, Esq. (SBN 10569)
SNELL & WILMER
3883 Howard Hughes Parkway, Suite 1100
Las Vegas, Nevada 89169
Tel: 702-784-5200 Fax: 702-784-5252
asorenson@swlaw.com; rperkins@swlaw.com; kdove@sw.law.com
Attorneys for Federal National Mortgage Association

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

THE FEDERAL HOUSING FINANCE AGENCY, in its capacity as Conservator of Federal National Mortgage Association; and FEDERAL NATIONAL MORTGAGE ASSOCIATION.

Plaintiffs.

vs.

NEVADA NEW BUILDS, LLC, a Nevada
Domestic Limited Liability Company

Defendant.

CASE NO. 2:16-cv-01188-GMN-CWH

STIPULATION TO STAY DISCOVERY

INTRODUCTION

1 Plaintiffs Federal National Mortgage Association (“Fannie Mae”) and Federal Housing
 2 Finance Agency (“FHFA” or the “Conservator”), in its capacity as Conservator of Fannie Mae,
 3 and Defendant Nevada New Builds, LLC hereby stipulate to stay discovery. Good cause exists for
 4 the Court to stay all discovery in this matter pending resolution of Plaintiffs’ Motion for Summary
 5 Judgment (Dkt. No. 9).

6 **Background**

7 On May 26, 2016, Plaintiffs filed a Complaint, seeking, *inter alia*, a declaratory judgment
 8 that federal law prevents a homeowners’ association’s foreclosure sale from extinguishing an
 9 Enterprise¹ Lien while the Enterprise is in FHFA conservatorship. (Dkt. No. 1). Plaintiffs filed
 10 their Motion for Summary Judgment on August 3, 2016. (Dkt. No. 9). Defendant filed an
 11 Opposition to Plaintiffs’ Motion for Summary Judgment on August 26, 2016, (Dkt. No. 10), and
 12 Plaintiffs filed a reply in support of their Motion for Summary Judgment. (Dkt. No. 11). To date,
 13 no party has served discovery requests on the other.

14 Plaintiffs’ Motion for Summary Judgment raises the central legal question in this case—
 15 whether a homeowner’s association foreclosure sale conducted under Nev. Rev. Stat.
 16 § 116.3116(2) (“HOA Sale”) may extinguish Fannie Mae or Freddie Mac’s property interest.
 17 Plaintiffs argue that 12 U.S.C. § 4617(j)(3) (the “Federal Foreclosure Bar”) precludes an HOA
 18 Sale from extinguishing Fannie Mae or Freddie Mac’s property interests and preempts any
 19 contrary state law. No discovery is necessary to resolve this legal question, and the Court’s
 20 decision on the pending Motion for Summary Judgment could dispose of Plaintiffs’ claims.
 21 Because discovery may never be required in this action, it would be burdensome, inefficient, and
 22 inequitable to conduct it at this stage.

23 **Legal Standard Governing Motions to Stay Discovery**

24 District courts have “wide discretion in controlling discovery.” *Little v. City of Seattle*, 863
 25 F.2d 681, 685 (9th Cir. 1988); *see also Yung Lo v. Golden Gaming*, No. 2:12-CV-01885-JAD-

27 ¹ For purposes of this motion, “Enterprise” refers to either Fannie Mae or Freddie Mac.
 28

1 CWH, 2014 WL 794205, at *1 (D. Nev. Feb. 26, 2014) (“Courts have broad discretionary power
 2 to control discovery.”). “In evaluating the propriety of an order staying or limiting discovery while
 3 a dispositive motion is pending” courts “consider[] the goal of Federal Rule of Civil Procedure 1,
 4 which provides that the Rules shall ‘be construed and administered to secure the just, speedy, and
 5 inexpensive determination of every action.’” *Yung Lo*, 2014 WL 794205, at *3 (quoting Fed. R.
 6 Civ. P. 1). Courts accordingly ask “whether it is more just to speed the parties along in discovery
 7 while a dispositive motion is pending or to delay discovery to accomplish the inexpensive
 8 determination of the case.” *Id.*

9 Courts thus may limit discovery “upon a showing of good cause or where ‘justice requires
 10 to protect a party or person from annoyance, embarrassment, oppression, or undue burden or
 11 expense.’” *Aguirre v. S. Nevada Health Dist.*, No. 2:13-CV-01409-LDG-CWH, 2013 WL
 12 6865710, at *2 (D. Nev. Dec. 30, 2013) (quoting *Wagh v. Metris Direct, Inc.*, 363 F.3d 821, 829
 13 (9th Cir. 2003)). A stay of discovery also may be appropriate to “further the goals of judicial
 14 economy and control of the Court’s docket,” *id.*, or to “reduce costs and increase efficiency,”
 15 *Johnson v. Cheryl*, No. 2:11-CV-00291-JCM-CWH, 2013 WL 129383, at *4 (D. Nev. 2013).
 16 When a pending motion raises a threshold legal issue that “do[es] not require further discovery and
 17 [is] potentially dispositive of the entire case,” this Court has not hesitated to approve a stay of
 18 discovery. *Yung Lo*, 2014 WL 794205, at *3; *Aguirre*, 2013 WL 6865710, at *2; *Thrash v. Towbin*
 19 *Motor Cars*, No. 2:13-CV-01216-MMD-CWH, 2013 WL 5969829, at *2 (D. Nev. Nov. 7, 2013);
 20 *Kidneigh v. Tournament One Corp.*, No. 2:12-CV-02209-APG-CWH, 2013 WL 1855764, at *2
 21 (D. Nev. May 1, 2013).

22 **A Stay Is Appropriate Because the Motion for Summary Judgment May Resolve the Parties’**
Claims and Can Be Resolved Without Discovery

23 Under the governing standard, a stay of discovery is appropriate here.

24 First, if granted, Plaintiffs’ Motion for Summary Judgment will dispose of their claims.
 25 Plaintiffs’ claims allege that the Federal Foreclosure Bar preempts the Statute Foreclosure Statute.
 26 Thus, if the Court granted Plaintiffs’ Motion, it would hold that HOA foreclosure sales do not
 27 extinguish the Fannie Mae’s property interests and Defendant’s interests in the Properties are
 28

1 subject to the Fannie Mae's Liens.

2 Second, resolving whether federal law prevents an HOA foreclosure sale from
 3 extinguishing Fannie Mae's property interest while under FHFA's conservatorship does not
 4 require discovery or resolution of disputed material facts. This issue presents a pure question of
 5 law and only requires the Court to interpret the Federal Foreclosure Bar and determine its
 6 preemptive effect on Nevada law. *Cf. Aguirre*, 2013 WL 6865710, at *2; *Thrash*, 2013 WL
 7 5969829, at *2; *Kidneigh*, 2013 WL 1855764, at *2. For that reason, this Court and other courts in
 8 this District have repeatedly stayed discovery pending resolution of FHFA, Freddie Mac, and/or
 9 Fannie Mae's similar motions for summary judgment. *See, e.g.*, Order, *My Home Now LLC v.*
 10 *Bank of America, NA*, No. 2:14-cv-01957-RFB-CWH (Oct. 19, 2015) (finding "good cause exists
 11 to stay discovery pending resolution of the parties' cross-motions for summary judgment"); *see*
 12 *also* Order, *1597 Ashfield*, No. 2:14-cv-2123-JCM-CWH (Apr. 16, 2015) (Dkt. 54) ("As in several
 13 other cases involving similar issues, there is good cause to stay discovery pending resolution of the
 14 motion for summary judgment.").

15 Because Plaintiffs' claims can be resolved as a matter of law on the present evidentiary
 16 record without need for discovery, it would be "more just ... to delay discovery to accomplish the
 17 inexpensive determination of the case." *Yung Lo*, 2014 WL 794205, at *3. A stay is appropriate
 18 "to secure the just, speedy, and inexpensive determination of [this] action." Fed. R. Civ. P. 1.

19 For the foregoing reasons, the parties respectfully request that the Court stay all discovery
 20 pending resolution of Plaintiffs' Motion for Summary Judgment.

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1 DATED this 22 day of November, 2016.
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3 /s/ Kelly H. Dove, Esq.
4 Amy F. Sorenson, Esq. (SBN 12495)
5 Robin E. Perkins, Esq. (SBN 9891)
6 Kelly H. Dove, Esq. (SBN 10569)
7 SNELL & WILMER LLP
8 3883 Howard Hughes Parkway,
Suite 1100
Las Vegas, NV 89169
Tel: (702) 784-5200
Fax: (702) 784-5252
asorenson@swlaw.com;
rperkins@swlaw.com;
kdove@swlaw.com

9 /s/ Leslie Bryan Hart, Esq.
10 Leslie Bryan Hart, Esq. (SBN 4932)
11 John D. Tennert, Esq. (SBN 11728)
12 FENNEMORE CRAIG, P.C.
13 300 E. Second St., Suite 1510
14 Reno, NV 89501
Tel: (775) 788-2228
Fax: (775) 788-2229
lhart@fclaw.com;
jtennert@fclaw.com

15 *Attorneys for Plaintiff Federal Housing Finance
16 Agency*

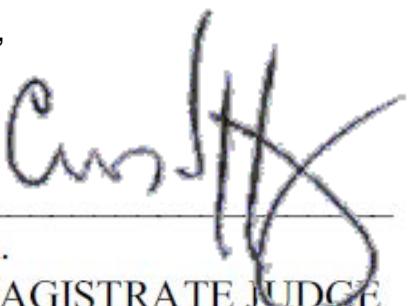
17 *Attorneys for Plaintiff Federal National
18 Mortgage Association*

19 s/ Joseph Y. Hong, Esq.
20 Joseph Y. Hong, Esq. (SBN 5995)
21 HONG & HONG
22 10781 West Twain Avenue
23 Las Vegas, NV 89135
24 Tel: (702) 870-1777
25 Fax: (702) 870-0500
26 yosuphonglaw@gmail.com

27 *Attorneys for Defendant Nevada New Builds, LLC*

28 IT IS SO ORDERED.

29 DATED: November 29,
30 2016

31 
32 C.W. HOFFMAN, JR.
33 UNITED STATES MAGISTRATE JUDGE

CERTIFICATE OF SERVICE

Pursuant to F.R.C.P. 5(b) and Electronic Filing Procedure IV(B), I certify that on the [] day of November, 2016, a true and correct copy of **STIPULATION TO STAY DISCOVERY** was transmitted electronically through the Court's e-filing electronic notice system to the attorney(s) associated with this case. If electronic notice is not indicated through the court's e-filing system, then a true and correct paper copy of the foregoing document was delivered via U.S. Mail.

Joseph Y. Hong, Esq.
HONG & HONG
10781 West Twain Avenue
Las Vegas, NV 89135
yosuphonglaw@gmail.com

/s/ *Kelly H. Dove*